

## LOOP Japan K.K.

LOOPShare Ltd. develops dashboards equipped with telematics\* technology, and it currently offers an electric scooter and electric bicycle sharing service in Canada. The company established its Japanese subsidiary, LOOP Japan K.K., in Tokyo in September 2016. LOOP Japan is aiming to develop multi-lingual dashboards and subsequently help in promoting tourism in Japan, in anticipation of the increasing number of foreign tourists leading up to the Tokyo 2020 Olympic and Paralympic Games. We interviewed Mitsu Sano, Chief Operating Officer (COO) of LOOP Japan, about setting up the company and its business operations.

LOOP Japan K.K. is an electric scooter and electric bicycle sharing service provider. The company was established in Minato Ward, Tokyo in September 2016 as a Japanese subsidiary of LOOPShare Ltd., which is based in Vancouver, Canada. LOOPShare develops dashboards equipped with telematics technology, and offers an electric scooter sharing service.

There are currently 50 bright orange-colored electric scooters with “LOOP” painted on them zipping around the roads of Canadian cities. LOOPShare offers these services for free independent travelers (FITs) and tourists to easily get around the cities, and also for commuters to go to work. Users also like the convenience of downloading a smartphone application that allows you to easily check in real time the areas where electric scooters are parked or the remaining battery life. Apart from Canada, LOOPShare offers its services in several other countries including the US (Silicon Valley), Germany, the Netherlands, England and Lebanon, with the primary customers being young people in their twenties and thirties who use the scooters for commuting or getting around. A growing number of users and other factors have helped boost fiscal 2016 sales in Canada, which grew by 48% over the previous year to reach CA\$613,000 (520,000,000 yen).

### Setting up LOOP Japan for the Tokyo 2020 Olympics



Electric scooters of LOOP Japan K.K.

In setting up their business in Japan, Mr. Sano considered the increasing number of foreign tourists that will visit Japan in the lead up to the Tokyo 2020 Olympic and Paralympic Games, and saw it as business opportunity for the company. Anwar Sukkarie, Chief Executive Officer (CEO) of its parent company LOOPShare, was always looking for an opportunity to enter the Japanese market. In a stroke of good timing, the company was selected for a JETRO subsidy program, and this became the impetus for establishing a Japanese subsidiary. In August 2016, LOOPShare was selected for the “Subsidy Program for Global Innovation Centers,” which supports projects using the Internet of Things (IoT) in collaboration with Japanese companies and organizations.

LOOP Japan K.K. has been using this subsidy to conduct test runs of its electric scooter sharing service in Naha, Okinawa. The tests have shown that the dashboards can be coordinated with smartphones. The interface is also multi-lingual, including with support for Japanese. Moreover, users are able to secure

\* Telematics is an information service that utilizes various information or contents in vehicles such as automobiles that are equipped with an Internet-connected terminal.

parking areas, as well as maintain their electric scooters and charge the battery using zone operators (outsourcing companies). The company also sees the possibility of cooperating with large convenience stores for securing parking areas.

The strength of the company's products lies in their toughness and durability in poor weather such as snow and rain, or dealing with dust or vibrations.

The dashboards are designed to endure bad weather conditions or dust during outdoor use in Canada, where the temperature falls below zero in the winter. In addition, the products have a system that connects dashboards equipped with a wireless telematics system to a battery, which allows users to remotely check the remaining battery life; LOOPShare has patented this system.

### Promoting local tourism through a sharing service

As for using dashboards equipped with a wireless telematics system, Mr. Sano mentions how LOOP Japan hopes to utilize data collected from the electric scooters "to help boost local tourism in Japan." Through the company's electric scooter and electric bicycle sharing service, he aims to team up with parking areas, stores, restaurants and other local businesses, and contribute to developing the entire local economy.

Currently, approximately eighty percent of business inquiries are from municipalities. A background factor to this is the growing demand for attracting foreign tourists and also improving services for them, in the lead up to the Tokyo 2020 Olympic and Paralympic Games. Mr. Sano also explains, "Our electric scooters and electric bicycles are also highly valued for being ecofriendly, as they reduce carbon dioxide emissions and can be shared."

In addition to Japanese, LOOPShare dashboards are available in four other



Mitsu Sano, Chief Executive Officer of LOOP Japan K.K.

languages: English, Chinese (Mandarin and Cantonese) and Korean. By combining user information such as where the tourists are from or their age, with route information about which route they will take or what they will visit, and by accumulating and analyzing this big data, the company can provide users with tailor-made recommended sightseeing information. If the company can further expand its electric scooter and electric bicycle sharing service, it will be able to offer first-time foreign tourists to Japan an easy-to-use means of transport available in their own language. Moreover, municipalities can use the service to introduce hidden sights in the local area that foreign tourists have never considered visiting, or even as-yet-unknown and unexplored regions.

LOOP Japan will conduct test runs of its electric bicycle sharing service in Kamakura, Kanagawa this year. In February 2017, the company was selected as a "Prospective Contractor on Support Projects for Creating IoT Services" by the Ministry of Internal Affairs and Communications (MIC). By expanding this service, the company is aiming to promote tourism in Kamakura and revitalize the region.

There are some challenges, though; one is how to operate the billing system, which is an important factor in increasing sales. The company will use its test runs in Kamakura to verify the usability of a multilateral settlement system equipped with mobile settlement services such as Alipay and WeChat Pay; this is to cater to the demand for such payment services from Chinese tourists.

## Expanding the sharing service to tourist spots nationwide

The City of Kamakura is planning to collaborate with Amano Management Service Corporation and use it as a zone operator to provide parking areas and maintain the electric bicycles. If the billing system or maintenance of the electric bicycles work well during the test runs in Kamakura, LOOP Japan will expand the sharing service to other cities such as Kyoto and Nara. A common problem of the three “ancient cities” of Kamakura, Kyoto and Nara is narrow roads that make it difficult to get around by car; yet, many tourists still visit these cities. Expanding the sharing service to such cities will also improve the convenience for tourists.

LOOP Japan anticipates a growing demand for sharing services in the tourist sector. In addition to these three cities, the Shikoku region (Tokushima, Kagawa, Ehime, and Kochi prefectures) is also interested in utilizing the electric bicycle sharing service for visiting the 88 Temples of Shikoku or *udon* noodle shops, which are popular touristic destination. The

company is currently talking with various industry groups comprising transport facilities, travel agencies, municipalities, economic organizations and local companies, as well as with Tourism Shikoku.

## Support from JETRO

The parent company LOOPShare was selected for the “Subsidy Program for Global Innovation Centers” in August 2016, as one of sixteen projects recognized for innovation and highly added value. When setting up its Japanese subsidiary, JETRO provided information on market trends and other key areas to the company, and used the JETRO Invest Japan Hotline to consult with government ministries such as the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the Ministry of Internal Affairs and Communications (MIC), and the Ministry of Economy, Trade and Industry (METI) to obtain information on the import regulations of electric scooters into Japan.

(Interviewed in May 2017)

## Company history

2009	Establishment of Saturna Green Systems, predecessor of LOOPShare Ltd.
2015	Patent acquired from US Patent and Trademark Office (PTO)
July 2016	Listed on Canadian Stock Exchange, name changed to LOOPShare Ltd.
September 2016	Establishment of LOOP Japan K.K. in Tokyo

## LOOP Japan K.K.

Founded:	June 2015
Business activities:	Electric scooter and electric bicycle sharing service, IoT dashboards
Parent company:	LOOPShare Ltd. (Canada)
Address:	2-2-9 Shimbashi, Minato-ku, Tokyo 105-0004 Japan
URL(parent company):	<a href="http://loopscooters.com/">http://loopscooters.com/</a>

## JETRO's support

- Selected for the “Subsidy Program for Global Innovation Centers” by JETRO
- Provision of information on market trends, etc.
- Use of JETRO Invest Japan Hotline to consult with government ministries such as MLIT, MIC and METI
- Provision of information on import regulations for electric scooters into Japan